

February 22, 2021

## Daily Currency outlook

### Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	February futures	Sell	72.80	72.50	72.92	1 day

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## INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	72.65	72.74	-0.09
EUR-INR	87.92	87.62	0.30
GBP-INR	101.63	100.81	0.82
JPY-INR (Future)	69.20	69.22	-0.02

- After two days of consolidation, the rupee managed to gain 10 paise to end at 72.65 levels. We feel the rupee is likely to appreciate further
- The dollar index on Friday posted moderate losses. A rally in GBP/US\$ on Friday to a new two and a three-fourth year high weighed on the dollar along with strength in other G-10 currencies against the dollar

## Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.13	6.03	1.69
India 2 Year	4.53	4.53	-0.09
US 10 Year	1.39	1.27	9.79
US 2 Year	0.11	0.11	5.61
Germany 10 Year	-0.31	-0.37	-16.62

- The Nifty tumbled around 1% on Friday on the back of broad based selling across sectors. According to option chain, on the Put side 15000 Put has the highest OI. If it sustains below 15000 then, we may see continuance of the current fall
- The Bank Nifty continued to remain under pressure as there was selling in most private sector banks along with midcap and PSU banks

## FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	8857	5572	3285
Debt	725	1596	-870
Net			2415

- Foreign institutional investors (FII) again turned buyers as they bought to the tune of ₹ 2415 crore on February 16, 2021. They bought worth ₹ 3285 crore in the equity market and sold worth ₹ 870 crore in the debt market

## US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
Feb	72.63	-0.24	2752580	1338746	-3.28	-35.00
Mar	72.94	-0.26	1115933	332805	6.17	-36.73
Feb-Mar	0.31	-	-	1005941	-	

- The US\$INR future gained some momentum and ended near 72.63 levels. Looking at the writing in OTM strike Calls we feel upsides are limited and a close below 72.4 levels would open the gates for lower targets
- The dollar-rupee February contract on the NSE was at ₹ 72.63 in the last session. The open interest declined almost 3% in the February series

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	72.47	72.55	72.70	72.78	72.93
US\$INR (Mar)	72.76	72.85	73.01	73.10	73.26
EURINR (Feb)	87.54	87.71	88.00	88.17	88.46
EURINR (Mar)	89.36	89.40	89.50	89.54	89.64
GBPINR (Feb)	100.46	100.82	101.03	101.39	101.60
GBPINR (Mar)	100.84	101.20	101.44	101.81	102.05
JPYINR (Feb)	68.90	68.99	69.13	69.22	69.35
JPYINR (Mar)	69.18	69.28	69.42	69.52	69.65

## US\$INR Strategy

### US\$INR Feb futures contract (NSE)

Sell US\$INR in the range of 72.78-72.82

Market Lot: US\$1000

Target: 72.60/ 72.50

Stop Loss: 72.92

Support: 72.65/72.55

Resistance: 72.92/73.05

Note: The given recommendation in this report is intraday and should not be linked with positional view & recommendations given in Monthly currency Derivatives and Positional Currency report which may have different view.



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